LEVELING THE PAYING FIELD: Best Practices for Gender Pay Equity in the Workplace

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Letter from First Lady, Chirlane McCray

When Lily Ledbetter, the plaintiff in a landmark pay discrimination case, stood beside President Barack Obama in 2009 as he signed the Fair Pay Act bearing her name into law, I cheered. Finally, equal pay for equal work was the law of the land. But the long arc toward justice is not quite that simple.

The struggle for civil rights didn’t end with the Civil Rights Act, and the LGBTQ rights movement didn’t stop at marriage equality. The work may shift and refocus to new fights and frontiers, but it always, always continues.

The same is true in the fight for pay equity. We still have a long way to go. On average, women in the United States still only make 79.6 cents on the dollar as compared to men. And it’s worse for women of color, both nationally and right here in New York City. Asian-American women in NYC earn 63 cents on the dollar. For African-American women, it’s 55 cents. Hispanic women earn just 46 cents on the dollar. In 2017, this is unacceptable. It always was. And it is up to all of us to carry on the fight, because equality is everyone’s responsibility.

Over the past few years, New York City has taken action. Just a few months after Bill and I arrived at City Hall, the City expanded paid sick leave for more than a million New Yorkers – including in many of the lowest-paid industries that employ a disproportionate amount of women. And as of October 2017, employers can no longer ask prospective hires about salary history – a much-dreaded question that forces women and minorities to carry their lower wages from job to job.

But the City can’t close the gender wage gap alone. Businesses and all other employers need to step up, and this resource guide will help them do it.

No more excuses. There are a lot of different factors that go into determining a person’s pay, but the evidence shows that key steps taken by employers can go a long way toward leveling the paying field. By addressing unconscious bias in hiring, doing more to accommodate pregnant women and new mothers, and expanding paid family leave, along with many other steps, employers can build a more equitable workplace for everyone. Plus, research shows that pay equity doesn’t just benefit women, it’s also good for business. This is a no-brainer.

Together, we can build a New York City that works for everyone, where equal work is valued as such and every workplace strives for equity.

Chirlane McCray
First Lady of New York City
Leveling the Paying Field

What is Pay Equity?

Pay equity is equal pay for work of equal value – or a means of eliminating discrimination based on gender, color, and ethnicity in the wage-setting system. Despite laws prohibiting employment discrimination, women continue to earn less than men. The U.S. Department of Labor reports that as of 2015, the gender earnings ratio (women’s earnings as a percentage of men’s) for full-time, year-round workers remained at 79.6 percent. The gap is even greater for women of color. African-American women earn 60 percent of what their white male counterparts earn and Hispanic women earn 55 percent of what their white male counterparts earn.

In New York City, a white woman working full-time earns 84 cents for every dollar a white man earns. A Hispanic woman working full-time earns 46 cents for every dollar a white man earns; an African-American woman earns 55 cents; and an Asian woman earns about 63 cents.

Several factors account for pay inequity. Women enter low-paying fields at a greater proportion than men do and are less likely than men to enter high-paying male-dominated fields, a process known as occupational segregation. Women are also more likely than men to reduce the time they work or leave their jobs to care for children or family members. But, about 38 percent of the gap cannot be explained by those factors and all other factors are commonly associated with differences in earnings (including education and unionization). Discrimination and bias contribute to this portion of the gap.

Pay Equity is Good for the Economy and Business

While pay equity is essential to the majority of American families who rely on women’s income, it’s also essential to the nation’s economy. The Institute for Women’s Policy Research estimates that closing the gender pay gap would give an additional $447.6 billion to women and their families to spend, and cut their poverty rate in half. It is also estimated that the U.S. economy would be 5 percent larger in 2030 if the gap between men’s and women’s labor force participation were cut in half.

Pay equity is also good for business. Compensation practices, among other organizational factors, have an impact on employee- and organization-level outcomes. Open and equitable compensation structures attract both talented women and men. Fair compensation and advancement practices lead to more women in management and leadership positions. Companies with a high number of women represented in senior leadership positions demonstrate better financial performance than companies with a lower representation of women. Research has shown that employees who believe they are paid fairly are more engaged; less likely to quit; experience less stress at work; feel healthier physically and emotionally and are more satisfied with their personal lives. Finally, gender discrimination lawsuits are costly, cause lost productivity, gradually destroy morale, and damage business reputations.

“For too long, women and people of color have been underpaid and undervalued. There is no time like the present to address the huge disparities in income. The problem goes beyond dollars and cents. For example, when women earn less for the same work – even with more education and more experience – the message is that women are worth less than men in every way.”

—First Lady Chirlane McCray
Federal, State and New York City Laws That Promote Pay Equity

There are many “best practices” employers can adopt to promote pay equity that will be discussed in this resource guide. At a minimum, employers are required by federal, New York State and New York City laws to insure that men and women receive equal pay for the equal work. In addition, laws exist to protect prospective employees from disclosing their income and against caregiver discrimination. Employers should be aware of these laws and follow them in their workplace.

**Laws Prohibiting Wage Discrimination**

Several federal and state laws prohibit discrimination in employment and working conditions, including pay and benefits. The federal Equal Pay Act requires all employers to pay equal wages to women and men in the same establishment for performing substantially equal work. The law governs all kinds of pay and compensation. Title VII of the Civil Rights Act of 1964 prohibits employers with at least 15 workers from discriminating against their employees on the basis of race, color, religion, sex or national origin in all terms and conditions of employment, including pay. Title VII prohibits discrimination in pay and promotions.

New York State’s Human Rights Law also prohibits discrimination in employment and compensation on the basis of sex. As recently amended, the New York State law provides even greater protection against discrimination in pay than under Federal...
law, making it easier to prove a violation by requiring that any differential in pay be based on a seniority system, a merit system or a bona fide factor other than sex that is job related and based on business necessity. Liquidated damages in cases of intentional discrimination were also increased in the recent amendments from 100 percent to 300 percent of the wage differential. In addition, the amended state law specifically prevents employers from prohibiting workers from inquiring about, discussing or disclosing wage information, which increases wage transparency, an important factor in helping to insure equal pay. Finally, New York City’s Human Rights Law also prohibits discrimination in employment on the basis of gender.14

**Laws Prohibiting Pregnancy Discrimination**

Differing responsibilities in caregiving, beginning with pregnancy, contribute to the pay gap. Federal law prohibits discrimination on the basis of pregnancy in the same way that it prohibits discrimination on the basis of sex.15 New York State and New York City have stronger protections for pregnancy discrimination. Employers in New York must accommodate pregnant workers so they can remain on the job as long as the accommodation does not create an undue hardship for the employer.16 Examples of accommodations include accessible worksite, job restructuring and modified work schedules.

**Laws Requiring Breaks and Accommodations for Expressing Breast Milk**

Federal and state laws protect women who return to work after having a baby and require a lactation room. Provisions for breaks and a place to feed their children are protected under law.17

**Laws Prohibiting Caregiver Bias**

Beginning with pregnancy, women often take on a greater role in the caregiving of children and other family members, contributing to the wage gap. New York State’s Human Rights Law prohibits discrimination on the basis of family status.18 New York City’s Human Rights Law is even more protective, prohibiting employment discrimination against all caregivers, because of their status or perceived status as a caregiver.19

**Paid Family Leave for All Workers in New York State**

New York’s Paid Family Leave Law, effective January 2018, will provide nearly all employees in the state with eight weeks of paid family leave which will scale up to 12 weeks when the law is fully phased in.20 Leave can be for the addition of a new child by birth, through adoption or to care for a seriously ill family member. All workers who take paid family leave under the law will be entitled to return to their job.

**Laws Prohibiting Salary History Inquiry in Hiring Processes**

In 2016, New York City Mayor Bill de Blasio signed an Executive Order prohibiting City agencies from inquiring about the salary history of job applicants.21 In April 2017, the New York City Council passed legislation to extend this policy to all employers in New York City, public and private. The legislation was signed by Mayor Bill de Blasio and took effect October 31, 2017.22
Best Practices To Achieve Pay Equity

Because there is no one cause of the gender pay gap, employers who want to address the gap must employ a variety of approaches. True pay equity requires a change in culture, in hiring and advancement practices, as well as a willingness to address unconscious bias that may exist throughout the workplace. This resource guide summarizes best practices public and private employers can implement to help address this gap.

Establish Wage and Gender Equity as an Employer-Wide Value

- Identify gender equity as a core value and ensure leadership from the top.
- Incorporate the commitment into office practice and culture.
- Coordinate among departments and systems to make sure there are common practices to prevent wage inequity.
- Ensure that management is held accountable for meeting benchmarks.

Institute Unconscious Bias Training

Unconscious or implicit bias refers to the attitudes, involuntary assumptions, or stereotypes that affect our understanding, actions and decisions in an unconscious manner. Unconscious bias may cause a manager to unintentionally judge the skills of an employee based on the employee’s gender, ethnicity or physical attributes. It can cause employers to overlook women for leadership or technical positions or pay women a lower wage compared to men. The Bay Area Council Economic Institute provides a helpful discussion of unconscious bias in the workplace in their guide, Building Gender Equity in the Workplace A Best Practices Resource Guide. Companies such as Google have invested in unconscious bias training and have trained 74 percent of employees to date, with the ultimate goal of training all employees.

Address Equity in Recruitment and Hiring Practices

Despite laws prohibiting discrimination, bias continues to affect the recruitment and hiring process, often unconsciously. The practices below help to eliminate unconscious bias in recruiting and hiring.

Use Gender Neutral Language in Recruitment Materials

Language used in recruitment materials can convey an employer’s preference in candidates’ gender, affect a potential applicant’s appraisal of a job and reinforce occupational segregation by gender. In order to attract more female candidates in a wider classification of employment, employers should review the language used in all recruiting materials through a gender lens and employ gender neutral language. Multiple examples of gendered language are provided in the article, Evidence That Gendered Wording in Job Advertisements Exists and Sustains Gender Inequality.

Eliminate the Use of Salary History and Negotiations When Hiring and Setting Pay

Using salary history to negotiate future pay can also perpetuate pay disparity. As previously noted, New York City prohibits City agencies and private sector
employers from inquiring about the salary history of job applicants in most instances. Women, including highly-educated women, are less likely to negotiate their first job offer when compared to men. If there is little to no transparency in the hiring process, with set standards for negotiation and salary expectations, women are likely to receive lower compensation than men. Salaries should be set to match measurable factors such as the skills needed for the job and similar market-rate compensation. If negotiation is used, employers should be transparent about compensation in the job posting. At the time of an offer, the employer should ensure that negotiations are framed within market and internal rates.

Institute a Name- and Gender-Blind Application Process

Application processes that disclose applicants’ gender or ethnicity result in fewer women and people of color obtaining employment. For example, when orchestras instituted blind auditions (i.e. applicants performed behind a screen so their gender was unknown), they dramatically increased the number of women they hired. Instituting hiring practices that limit access to gender and racial identities levels the playing field for all applicants. Several global companies, including HSBC and Deloitte, have adopted this practice.

New York State law protects workers from retaliation for sharing salary information.

Use Structured Interview Questions and a Diverse Interview Panel

Interviewers are also vulnerable to universal biases in human cognition. To minimize bias in the hiring process, employers should develop formal and concrete criteria for potential employees to meet for each position. Next, employers should use a structured written or oral interview process, to ensure that applicants receive equal opportunities to provide information. Finally, employers should ensure adequate representation of skills and experiences among decision-makers.
Gender disparities also exist within a company’s existing workforce. The following practices can eliminate pay disparities.

Conduct a Pay Equity Evaluation and Make Corrections Based on Findings

Conduct a pay equity analysis to determine if pay is based on relevant variables rather than subjective interpretation. The Gap conducted a pay equity review using the following data for each employee: annualized salary (in US dollars), gender, full time or part time status (FTE), employee tenure, span of control, level, job code, and geography, which found no equity pay gap. Salesforce conducted a comprehensive analysis of the salaries of the more than 17,000 global employees and adjusted salaries of about 6 percent of employees to ensure men and women were paid equally for comparable work. The National Women’s Law Center provides a helpful guide to conducting equal pay audits in their fact sheet, Advancing Equal Pay: Innovative Employer Approaches. The Society for Human Resources Management’s, Managing Pay Equity Toolkit provides practical solutions to implementing a pay equity evaluation.

Increase Transparency in Compensation and Advancement Decisions

As noted above, pay secrecy perpetuates pay disparities. In a 2010 survey, nearly half of all workers nationally reported that they were either contractually forbidden or strongly discouraged from discussing their pay with their colleagues. In keeping with New York State law that now prohibits employers from restricting employees’ ability to inquire about, discuss, or disclose wages with other employees, employers should establish the criteria and process for determining compensation. They should also ensure that promotions are completed and communicated openly and clearly to all employees.

Use Bias-Free Advancement Practices

There are a number of practices employers can adopt to limit bias in advancement decisions, like promotions and salary increases. Best practices include:

- Ensuring equitable work distribution and allocation, for example, so that women have the same opportunities as men to work on important matters and with major clients;
- Performing evaluations on a regular schedule using uniform standards developed for the position;
- Using a transparent advancement process and compensation structures focused on standardized and objectively measured performance outcomes;
- Ensuring that employment advancement decisions are reviewed by staff with a broad range of experience and expertise; and
- Providing equal access to and gender diversity at the various types of activities that lead to advancement, including mentoring, networking and marketing events, leadership development, informal gatherings, social events and networking with clients.

The Philadelphia Bar Association has developed Best Practices for Philadelphia Law Firms for the Retention and Promotion of Women which provides examples of the activities that lead to advancement opportunities.
Caregiver discrimination is illegal in New York City and family status discrimination is illegal in New York State.

Reduce Caregiver Bias

As discussed previously, above a significant portion of the wage gap is attributed to the fact that women take on a greater role in the caregiving of children and other family members. Caregiver discrimination is illegal in New York City and family status discrimination is illegal in New York State. It is important for employers to establish clear practices that advance the purposes of the caregiver protection. Both government and employers can adopt policies to enable women and men to balance their family responsibilities with work to minimize this gap.

Establish Policies to Accommodate Pregnant and Lactating Women

As discussed above, New York State and New York City have strong laws protecting pregnant women from discrimination and ensuring that women who are breastfeeding have the ability to pump milk before returning to work. An employer must provide reasonable unpaid break time or permit an employee to use paid break time or meal time each day to express breast milk for her nursing child for up to three years following child birth. The employer must also make reasonable efforts to provide a room or other location, in close proximity to the work area, where an employee can express milk in privacy.

The WorkLife Law Center has useful materials for employers addressing legal and practical considerations around pregnancy accommodation. New York State has created an online “Making It Work Toolkit” for breastfeeding mothers returning to work or school and New York City has an Employee Lactation Program that offers written resources for employers and mothers.

For additional information, San Francisco’s Healthy Mothers’ Workplace Coalition, a collaboration of non-profit organizations, government agencies, and private employers, has developed a Maternity Leave and Return Toolkit, model policies and a recognition awards program to improve the working conditions and health of new mothers.

Adopt Expansive Paid Family Leave Policies

New York’s Paid Family Leave Law, which will be effective in 2018, is the strongest in the nation and will provide virtually all New York workers with a basic right to paid family leave. However, employers can further address wage inequity by offering paid leave benefits greater than that required by law. For example, many tech employers, including Google, Adobe, Apple and Facebook, offer paid family leave more generous than that required by California law. Employers can supplement the wage replacement rate (which will be only 67 percent of wages when fully phased in) or provide additional time for their employees.

Institute Flex-time, Part-time, and Other Flexible Working Arrangements

Offering part-time employment or flexible work schedules could include changing start and quit times, allowing employees to work regular hours at home occasionally, allowing control over breaks, offering the opportunity to return to work gradually after childbirth or adoption and granting employees take time off during the work day to tend to family or personal needs without losing
“Equal pay for equal work is not only fair, it makes good economic sense.” —Mayor Bill de Blasio

pay. All of the accommodations mentioned assist employees struggling to meet family needs. It also benefits employers who are seeking to recruit and retain top talent. Cisco has adopted a flexible work policy, which encompasses telecommuting, remote, and flex-time work options. Cisco reports in its annual survey that employees repeatedly communicate that workplace flexibility is one of the best things about working for the company.

Planned Scheduling for Retail and Other Hourly Workers

For workers employed in the retail and food industries, having advance notice of their work schedules is essential to balance work and family responsibilities. Employers should provide employees with notice of their schedules at least two weeks in advance. NYC Mayor de Blasio signed legislation that requires fast food employers to give their employees written notice of their work schedules two weeks in advance, and pay premiums when the employer alters the employees’ schedules. San Francisco has addressed hourly workers’ needs to balance family and work by adopting an Hours and Retention Protections for Formula Retail Employees Ordinance, which requires covered employers to provide employees with their schedules two weeks in advance. Seattle passed comprehensive legislation aimed at reform of abusive scheduling practices.

Help Workers Stepping Out

Stay Connected and Re-enter the Workplace

A number of companies, including IBM, Alphabet Inc., Google’s parent company, and PayPal, use internships as well as other programs to help women learn the latest technology to help them re-enter the workforce. J.P. Morgan Chase offers a 13 to 19-week long program to help those return to the workplace after two or more years away from the corporate world.

Become a Champion

There are additional ways to champion pay equity beyond internal operations.

- Require contractors and suppliers to adopt equitable practices.
- Ensure marketing practices and products support gender equity. For example, Symantec Corporation launched the Gender Equity Image Project to help the company maintain ethical marketing standards by respecting the dignity of women in all sales, promotional, and advertising materials.
- Reduce occupational segregation by advancing opportunities for women and people of color in jobs in which they are traditionally underrepresented through community engagement programs. Companies can engage in community efforts to improve career advice about nontraditional fields and provide women with greater access to nontraditional fields.
- Increase compensation and benefits in industries where women are often overrepresented. For example, New York City Mayor de Blasio and City Council expanded paid sick leave to many of the lowest paid industries that employ a disproportionate number of women.


Gender Pay Inequality Consequences for Women, Families, and the Economy, supra, at note 2, p. 6.


Gender Pay Inequality Consequences for Women, Families, and the Economy, supra, at note 2, p. 7.


20 New York City, N.Y. Administrative Code Ch. 1 § 8-107.


39 WorkLife Law Center, University of California, Hastings, Pregnant @ Work

40 http://www.pregnantatwork.org/


42 New York City Employee Lactation Program website. http://www1.nyc.gov/site/doh/health/health-topics/employee-lactation-program.page

43 San Francisco Healthy Mother’s Workplace Coalition website. http://sfbreastfeeding.org/healthy-mothers-workplace/


52 New York City, N.Y. Administrative Code § 20-911 et seq.

Written by Amy S. Ackerman, J.D. and Ann Lehman, J.D., who worked together to create the Gender Equality Principles, www.genderprinciples.org Images: Bigstockphoto
## Resources

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<tr>
<th>AAUW—American Association of University Women</th>
<th>National Partnership for Women &amp; Families</th>
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<tr>
<td>AAUW advances equity for women and girls through advocacy, education, philanthropy, and research.</td>
<td>National Partnership for Women &amp; Families promotes fairness in the workplace, reproductive health and rights, access to quality affordable healthcare, and policies that help women and men meet the dual demands of work and family.</td>
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<td><a href="http://www.aauw.org">www.aauw.org</a></td>
<td><a href="http://www.nationalpartnership.org">www.nationalpartnership.org</a></td>
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<th>A Better Balance</th>
<th>Catalyst</th>
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<td>A Better Balance advances the rights of working families by employing a range of legal strategies to promote flexible workplace policies, end discrimination against caregivers and value the work of caring for families.</td>
<td>Catalyst is a nonprofit organization that accelerates progress for women through workplace inclusion. They promote workplace equality through research and practices.</td>
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<td><a href="http://www.abetterbalance.org">www.abetterbalance.org</a></td>
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<th>Equal Pay Today!</th>
<th>National Women’s Law Center</th>
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<td>Equal Pay Today! Campaign works to eradicate the long-standing gender wage gap impacting the economic security of women and families through an innovative collaboration of national, regional, and state-based women’s legal advocacy and worker justice groups.</td>
<td>NWLC protects and promotes equality and opportunity for women and families.</td>
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<td><a href="http://www.equalpaytoday.org">www.equalpaytoday.org</a></td>
<td><a href="http://nwlc.org">nwlc.org</a></td>
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<th>Institute for Women’s Policy Research</th>
<th>PowHer New York</th>
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<td>Affiliated with the graduate programs in Public Administration and Public Policy and Women’s Studies at the George Washington University, the IWPR conducts research to shape policy to improve the lives of women. Their research addresses policies relating to employment, education, and economic change, as well as work and family.</td>
<td>PowHer New York is an inclusive statewide network committed to securing economic equality for all New York women.</td>
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<td><a href="http://www.iwpr.org">www.iwpr.org</a></td>
<td><a href="http://www.powherny.org">www.powherny.org</a></td>
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<tr>
<th>National Committee on Pay Equity</th>
<th>UN Global Compact Women’s Empowerment Principles</th>
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<tr>
<td>The National Committee on Pay Equity (NCPE), founded in 1979, is a coalition of organizations; working to eliminate sex- and race-based wage discrimination and to achieve pay equity.</td>
<td>The Women’s Empowerment Principles, a product of collaboration between UN Women and the UN Global Compact, are a set of principles for business offering guidance on how to empower women in the workplace, marketplace and community. The website provides resources for employers to promote gender equity.</td>
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<td><a href="http://www.pay-equity.org">www.pay-equity.org</a></td>
<td><a href="http://www.weprinciples.org">www.weprinciples.org</a></td>
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<th>U.S. Department of Labor—Women’s Bureau</th>
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<td>The only federal Agency devoted exclusively to the concerns of women in the labor force, the bureau works to improve the economic status and opportunity for women. It maintains resources on a variety of topics related to pay equity.</td>
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<td><a href="http://www.dol.gov/wb/">www.dol.gov/wb/</a></td>
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